
SENATE BILL No. 258

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-5; IC 21-2-5.6-2.

Synopsis: School corporation insurance. Allows school corporations to enter into interlocal agreements to: (1) purchase insurance coverage; and (2) establish a cooperative risk management program to provide for coverage of certain risks of the school corporations.

Effective: Upon passage; July 1, 2005.

Kenley

January 6, 2005, read first time and referred to Committee on Insurance and Financial Institutions.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 258

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-5-2-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE UPON PASSAGE]: Sec. 2. In carrying out the school
3 purposes of each school corporation, its governing body acting on its
4 behalf shall have the following specific powers:
- 5 (1) In the name of the school corporation, to sue and be sued and
6 to enter into contracts in matters permitted by applicable law.
 - 7 (2) To take charge of, manage, and conduct the educational affairs
8 of the school corporation and to establish, locate, and provide the
9 necessary schools, school libraries, other libraries where
10 permitted by law, other buildings, facilities, property, and
11 equipment therefor.
 - 12 (2.5) To appropriate from the general fund an amount, not to
13 exceed the greater of three thousand dollars (\$3,000) per budget
14 year or one dollar (\$1) per pupil, not to exceed twelve thousand
15 five hundred dollars (\$12,500), based upon the school
16 corporation's previous year's average daily membership (as
17 defined in IC 21-3-1.6-1.1) for the purpose of promoting the best

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interests of the school corporation by:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(3) To acquire, construct, erect, maintain, hold, and to contract for such construction, erection, or maintenance of such real estate, real estate improvements, or any interest in either, as the governing body deems necessary for school purposes, including but not limited to buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing of school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchases money contracts providing for a retention of a security interest by seller until payment is made or by notes where such contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or IC 21-5-12. To repair, remodel, remove, or demolish any such real estate, real estate improvements, or interest in either, as the governing body deems necessary for school purposes, and to contract therefor. To provide for energy conservation measures through utility energy efficiency programs or under a guaranteed energy savings contract as described in IC 36-1-12.5.

(4) To acquire such personal property or any interest therein as the governing body deems necessary for school purposes, including but not limited to buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by outright purchase for cash, or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where such contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish such personal property. All purchases and contracts delineated under the powers given under subdivision (3) and this subdivision shall be subject

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solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of agencies of the state as provided in section 3 of this chapter.

(5) To sell or exchange any of such real or personal property or interest therein, which in the opinion of the governing body is not necessary for school purposes, in accordance with IC 20-5-5, to demolish or otherwise dispose of such property if, in the opinion of the governing body, it is not necessary for school purposes and is worthless, and to pay the expenses for such demolition or disposition.

(6) To lease any school property for a rental which the governing body deems reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children aged five (5) through fourteen (14) years that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if the property subject to a long term lease is being paid for from money in the school corporation's debt service fund, then all proceeds from the long term lease shall be deposited in that school corporation's debt service fund so long as the property has not been paid for. The governing body may, at its option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(7) To employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-6.1-3), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including but not limited to the making of schedules, the keeping and analyzing of grades and other student data, the keeping and

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1 preparing of warrants, payroll, and similar data where approved
 2 by the state board of accounts as provided below, and such other
 3 personnel or services, all as the governing body considers
 4 necessary for school purposes. To fix and pay the salaries and
 5 compensation of such persons and such services. To classify such
 6 persons or services and to adopt schedules of salaries or
 7 compensation. To determine the number of such persons or the
 8 amount of services thus employed or contracted for. To determine
 9 the nature and extent of their duties. The compensation, terms of
 10 employment, and discharge of teachers shall, however, be subject
 11 to and governed by the laws relating to employment, contracting,
 12 compensation, and discharge of teachers. The compensation,
 13 terms of employment, and discharge of bus drivers shall be
 14 subject to and shall be governed by any laws relating to
 15 employment, contracting, compensation, and discharge of bus
 16 drivers. The forms and procedures relating to the use of computer
 17 and data processing equipment in handling the financial affairs of
 18 such school corporation shall be submitted to the state board of
 19 accounts for approval to the end that such services shall be used
 20 by the school corporation when the governing body determines
 21 that it is in the best interests of the school corporation while at the
 22 same time providing reasonable accountability for the funds
 23 expended.

24 (8) Notwithstanding the appropriation limitation in subdivision
 25 (2.5), when the governing body by resolution deems a trip by an
 26 employee of the school corporation or by a member of the
 27 governing body to be in the interest of the school corporation,
 28 including but not limited to attending meetings, conferences, or
 29 examining equipment, buildings, and installation in other areas,
 30 to permit such employee to be absent in connection with such trip
 31 without any loss in pay and to refund to such employee or to such
 32 member ~~his~~ reasonable hotel and board bills and necessary
 33 transportation expenses. To pay teaching personnel for time spent
 34 in sponsoring and working with school related trips or activities.
 35 (9) To transport children to and from school, when in the opinion
 36 of the governing body such transportation is necessary, including
 37 but not limited to considerations for the safety of such children
 38 and without regard to the distance they live from the school, such
 39 transportation to be otherwise in accordance with the laws
 40 applicable thereto.

41 (10) To provide a lunch program for a part or all of the students
 42 attending the schools of the school corporation, including but not

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limited to the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate such program, and the purchase of any material and supplies therefor, charging students for the operational costs of such lunch program, fixing the price per meal or per food item. To operate such lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in any surplus commodity or lunch aid program.

(11) To purchase textbooks, to furnish them without cost or to rent them to students, to participate in any textbook aid program, all in accordance with applicable law.

(12) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(13) To levy taxes, to make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with the laws applicable thereto. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-5-4.

(14) To purchase insurance, ~~or to~~ establish and maintain a program of self-insurance, **or enter into an interlocal agreement with one (1) or more school corporations to establish and maintain a cooperative risk management program** relating to the liability of the school corporation or its employees in connection with motor vehicles or property and for any additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance, ~~or to~~ establish and maintain a program of self-insurance, **or enter into an interlocal agreement with one (1) or more school corporations to establish and maintain a cooperative risk management program** protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from any liability, risk, accident, or loss related to any school property, school contract, school or school related activity, including but not limited to the purchase of insurance or the establishment and maintenance of a self-insurance program protecting such persons against false imprisonment, false arrest, libel, or slander for acts committed in the course of their employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to any property owned, leased, or held by the school corporation. To:

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- 1 (A) participate in a state employee health plan under
 2 IC 5-10-8-6.6;
 3 (B) purchase insurance; or
 4 (C) establish and maintain a program of self-insurance;
 5 to benefit school corporation employees, which may include
 6 accident, sickness, health, or dental coverage, provided that any
 7 plan of self-insurance shall include an aggregate stop-loss
 8 provision.
 9 (15) To make all applications, to enter into all contracts, and to
 10 sign all documents necessary for the receipt of aid, money, or
 11 property from the state government, the federal government, or
 12 from any other source.
 13 (16) To defend any member of the governing body or any
 14 employee of the school corporation in any suit arising out of the
 15 performance of his duties for or employment with, the school
 16 corporation, provided the governing body by resolution
 17 determined that such action was taken in good faith. To save any
 18 such member or employee harmless from any liability, cost, or
 19 damage in connection therewith, including but not limited to the
 20 payment of any legal fees, except where such liability, cost, or
 21 damage is predicated on or arises out of the bad faith of such
 22 member or employee, or is a claim or judgment based on **his the**
 23 **member's or employee's** malfeasance in office or employment.
 24 (17) To prepare, make, enforce, amend, or repeal rules,
 25 regulations, and procedures for the government and management
 26 of the schools, property, facilities, and activities of the school
 27 corporation, its agents, employees, and pupils and for the
 28 operation of its governing body, which rules, regulations, and
 29 procedures may be designated by any appropriate title such as
 30 "policy handbook", "bylaws", or "rules and regulations".
 31 (18) To ratify and approve any action taken by any member of the
 32 governing body, any officer of the governing body, or by any
 33 employee of the school corporation after such action is taken, if
 34 such action could have been approved in advance, and in
 35 connection therewith to pay any expense or compensation
 36 permitted under IC 20-5-1 through IC 20-5-6 or any other law.
 37 (19) To exercise any other power and make any expenditure in
 38 carrying out its general powers and purposes provided in this
 39 chapter or in carrying out the powers delineated in this section
 40 which is reasonable from a business or educational standpoint in
 41 carrying out school purposes of the school corporation, including
 42 but not limited to the acquisition of property or the employment

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or contracting for services, even though such power or expenditure shall not be specifically set out herein. The specific powers set out in this section shall not be construed to limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-5-1 through IC 20-5-6 by specific language or by reference to other law.

SECTION 2. IC 20-5-2-2.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.2. Two (2) or more school corporations in Indiana may enter into an agreement as specified in IC 36-1-7-3 to jointly purchase any type of insurance described in section 2(14) of this chapter from a person authorized under IC 27 to sell the insurance in Indiana.**

SECTION 3. IC 20-5-2.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 2.7. Cooperative Risk Management Programs

Sec. 1. As used in this chapter, "aggregate insurance coverage" means the coverage provided by an insurance contract that:

- (1) is purchased by a cooperative program; and**
- (2) provides excess coverage if the aggregate amount of claims submitted by member school corporations and payable by the self-insurance fund exceeds the total amount of self-insured risk retained by the members in a fiscal year.**

Sec. 2. As used in this chapter, "commissioner" means the insurance commissioner appointed under IC 27-1-1-2.

Sec. 3. As used in this chapter, "cooperative program" means a cooperative risk management program established under this chapter.

Sec. 4. As used in this chapter, "examiner" has the meaning set forth in IC 27-1-3.1-4.

Sec. 5. As used in this chapter, "member" refers to a school corporation that enters into an interlocal agreement with another school corporation to establish a cooperative program.

Sec. 6. As used in this chapter, "self-insurance fund" means a fund established by a cooperative program as a reserve to cover self-insured risk retained by the members for losses covered under this chapter and to pay premiums for aggregate insurance coverage and specific insurance coverage required under this chapter.

Sec. 7. As used in this chapter, "service provider" means an individual or entity that enters into a contract with a cooperative

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program to provide to the cooperative program:

- (1) administrative;
- (2) insurance brokerage;
- (3) claims administration;
- (4) risk control; or
- (5) investment management;

services.

Sec. 8. As used in this chapter, "specific insurance coverage" means the coverage provided by one (1) or more insurance contracts that:

- (1) are purchased by a cooperative program; and
- (2) provide excess coverage for a part of a specific claim that exceeds the amount covered by the self-insurance fund.

Sec. 9. (a) Two (2) or more school corporations may enter into an interlocal agreement under IC 36-1-7 to establish a cooperative risk management program through which the school corporations agree to maintain a program of joint self-insurance to cover certain retained risks and to jointly purchase aggregate insurance coverage and specific insurance coverage, including the following:

- (1) Casualty insurance, including general and professional liability coverage and student accident insurance.
- (2) Property insurance.
- (3) Automobile insurance, including motor vehicle liability insurance coverage and security for motor vehicles owned or operated, and protection against other liability and loss associated with the ownership of motor vehicles.
- (4) Surety and fidelity insurance coverage.
- (5) Umbrella and excess insurance coverage.
- (6) Worker's compensation coverage.

(b) A cooperative program established under this chapter is a separate legal entity with the power to:

- (1) sue and be sued;
- (2) make contracts; and
- (3) hold and dispose of real and personal property.

Sec. 10. Except as provided in this chapter, the development, administration, and operation of a cooperative program does not constitute the business of insurance and a cooperative program is not subject to the insurance laws of Indiana.

Sec. 11. (a) A cooperative program shall:

- (1) establish a self-insurance fund with an aggregate limit on the total amount of self-insured risk retained by the members in a fiscal year; and

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(2) maintain:

(A) aggregate insurance coverage; and

(B) specific insurance coverage;

that has been reviewed and approved by the commissioner.

(b) A self-insurance fund established under subsection (a) must be:

(1) actuarially sound; and

(2) funded at the beginning of each fiscal year by a contribution from each member in an amount that reflects the member's share of self-insured risk and other costs of the cooperative program.

(c) Annual contributions to the self-insurance fund under subsection (b) must be:

(1) determined using generally accepted actuarial standards; and

(2) set to fund, at the beginning of each fiscal year, at least one hundred percent (100%) of the self-insured risk retained by the members in a fiscal year plus the other costs of the cooperative program, including premiums for aggregate insurance coverage and specific insurance coverage.

Sec. 12. (a) An interlocal agreement entered into under section 9 of this chapter must:

(1) establish the cooperative program as a separate legal entity; and

(2) specify the organization, composition, and powers of the governing authority of the cooperative program as required by IC 36-1-7-3.

(b) The governing authority of the cooperative program shall adopt bylaws, including the following:

(1) A financial plan setting forth in general terms:

(A) the types of risks covered under the cooperative program;

(B) the aggregate limit on the total amount of self-insured risk retained by the cooperative program in a fiscal year;

(C) the minimum amount of specific insurance coverage and aggregate insurance coverage that must be maintained by the cooperative program; and

(D) the procedure for determining each member's annual contribution to the self-insurance fund.

(2) A plan of management that provides for:

(A) the responsibility of the governing authority with regard to:

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- 1 (i) maintaining the amount of reserves in the
- 2 self-insurance fund;
- 3 (ii) disposing of surpluses; and
- 4 (iii) administering the cooperative program in the event
- 5 of termination;
- 6 (B) the basis on which new members may be admitted to
- 7 the cooperative program;
- 8 (C) the basis on which participating members may
- 9 withdraw from the cooperative program, including a:
- 10 (i) thirty (30) day period at the end of each fiscal year
- 11 after the cooperative program's first year of operation
- 12 during which a member may withdraw; and
- 13 (ii) requirement that a withdrawing member remains
- 14 jointly and severally liable for any claim arising during
- 15 the period during which the withdrawing member was a
- 16 member; and
- 17 (D) other provisions necessary or desirable for the
- 18 operation of the cooperative program.
- 19 (3) A conflict of interest policy for:
- 20 (A) employees; and
- 21 (B) service providers;
- 22 of the cooperative program.
- 23 (c) The following must be submitted to and approved by the
- 24 commissioner before a cooperative program may commence
- 25 operations:
- 26 (1) A copy of the interlocal agreement described in subsection
- 27 (a).
- 28 (2) A copy of the bylaws described in subsection (b).
- 29 (3) The form of any insurance contracts purchased by the
- 30 cooperative program, including contracts for aggregate
- 31 insurance coverage and specific insurance coverage.
- 32 (4) An accounting, based on generally accepted actuarial
- 33 standards, of sufficient reserves committed to pay obligations
- 34 of the cooperative program.
- 35 (5) A copy of each coverage document form to be issued by
- 36 the cooperative program.
- 37 (6) Any other information determined necessary by the
- 38 commissioner.
- 39 (d) If the commissioner does not disapprove the information
- 40 submitted under subsection (c) earlier than thirty (30) days after
- 41 the information is submitted, the information is considered
- 42 approved.

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1 **Sec. 13. (a) A cooperative program may enter into a contract**
 2 **with a service provider to obtain the services of the service**
 3 **provider.**

4 **(b) A contract entered into under subsection (a) must address**
 5 **the following:**

6 **(1) The term of the contract.**

7 **(2) The scope of services and responsibilities of the service**
 8 **provider.**

9 **(3) Compensation.**

10 **(4) Periodic reporting to the governing authority of the**
 11 **cooperative program.**

12 **(5) The ownership and confidentiality of information and data**
 13 **utilized by the service provider in performing the service**
 14 **provider's responsibilities under the contract.**

15 **(6) Compliance with the conflict of interest policy established**
 16 **by the cooperative program.**

17 **(7) Indemnification of the cooperative program for negligence**
 18 **of the service provider and proof of errors and omissions**
 19 **insurance.**

20 **(8) Assignability of the contract.**

21 **(9) Competition between the service provider and the**
 22 **cooperative program during and after the term of the**
 23 **contract.**

24 **(10) Cancellation of the contract.**

25 **Sec. 14. (a) A cooperative program shall have an annual audit**
 26 **performed by an independent certified public accounting firm**
 27 **according to guidelines established by the department of insurance.**

28 **(b) Not later than one hundred eighty (180) calendar days after**
 29 **the close of a cooperative program's fiscal year, the cooperative**
 30 **program must furnish the cooperative program's members with**
 31 **audited financial statements certified by an independent certified**
 32 **public accounting firm.**

33 **(c) Copies of the audit report and certified financial statements**
 34 **required under this section must be provided to the commissioner**
 35 **and the state board of accounts not later than one hundred eighty**
 36 **(180) calendar days after the close of the cooperative program's**
 37 **fiscal year.**

38 **(d) A cooperative program that fails to meet the deadline**
 39 **specified in subsection (c) without having obtained an extension**
 40 **from the commissioner is subject to a civil penalty of fifty dollars**
 41 **(\$50) per day until the required information is received by the**
 42 **commissioner.**

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(e) If a cooperative program fails to have the annual audit performed as required by subsection (a), the commissioner shall cause the audit to be performed at the expense of the cooperative program.

(f) The working papers of the certified public accountant and other records pertaining to the preparation of the audited financial statements required under this section may be reviewed by the commissioner. The cost of a review under this subsection must be paid by the cooperative program.

Sec. 15. The assets of a cooperative program must be:

- (1) treated as a joint investment fund under IC 20-5-11-5; and
- (2) invested under IC 5-13-9 in the same manner as other public funds.

Sec. 16. Not later than sixty (60) calendar days after the beginning of a cooperative program's fiscal year, the governing authority shall submit the following to the commissioner:

- (1) A copy of the bylaws adopted by the cooperative program.
- (2) A copy of each coverage document form issued by the cooperative program.
- (3) A copy of the insurance contracts purchased by the cooperative program, including contracts for aggregate insurance coverage and specific insurance coverage.
- (4) A copy of each service provider contract entered into by the cooperative program.
- (5) A copy of the interlocal agreement.
- (6) A certification by an independent actuary that the reserves in the self-insurance fund are adequate to pay the obligations of the cooperative program.

Sec. 17. (a) If a cooperative program fails to comply with the requirements of this chapter, the commissioner shall issue a notice of noncompliance to the cooperative program.

(b) Not later than thirty (30) calendar days after a cooperative program receives a notice of noncompliance under subsection (a), the cooperative program shall file with the commissioner a written request for time to restore compliance and a plan to restore compliance.

(c) The commissioner, on receiving the written request and plan to restore compliance filed under subsection (b), may grant a period not longer than one (1) year during which the cooperative program may restore compliance.

(d) If a plan to restore compliance is:

- (1) not filed under subsection (b);

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1 (2) filed under subsection (b) and not approved by the
2 commissioner; or

3 (3) filed under subsection (b), approved by the commissioner,
4 and at the end of a period granted under subsection (c) the
5 cooperative program is not in compliance with this chapter;
6 the commissioner may act to liquidate or rehabilitate the
7 cooperative program under IC 27-9 as if the cooperative program
8 were an insurance company.

9 Sec. 18. (a) The commissioner or an examiner:

10 (1) may conduct an examination of a cooperative program
11 under IC 27-1-3.1 as often as the commissioner, in the
12 commissioner's sole discretion, considers the examination
13 appropriate; and

14 (2) shall conduct an examination of a cooperative program
15 under IC 27-1-3.1 at least once every five (5) years.

16 (b) Upon determining that an examination described in
17 subsection (a) is necessary, the commissioner shall issue an
18 examination warrant:

19 (1) appointing one (1) or more examiners to perform the
20 examination; and

21 (2) instructing the examiners appointed under subdivision (1)
22 concerning the scope of the examination.

23 (c) In conducting an examination under this section, an
24 examiner shall observe the requirements set forth in the NAIC
25 examiner's handbook (as defined in IC 27-1-3.1-6), to the extent
26 that the requirements are consistent with this chapter. The
27 commissioner may employ additional guidelines or procedures
28 necessary to determine a cooperative program's compliance with
29 this chapter.

30 Sec. 19. (a) A cooperative program is subject to IC 27-4-1 as if
31 the cooperative program were an insurance company.

32 (b) The rights of a claimant under a cooperative program are in
33 no event less than the rights of a claimant under an insurance
34 contract issued by an insurance company authorized to do business
35 under IC 27.

36 Sec. 20. The commissioner shall, not later than February 1 of
37 each year, report to the legislative council in an electronic format
38 under IC 5-14-6. The report must include the following
39 information for the previous calendar year:

40 (1) A description of the scope of the market of coverage
41 under:

42 (A) insurance contracts; and

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(B) cooperative programs;

serving school corporations.

(2) The number of complaints filed against a cooperative program under IC 27-4-1.

(3) The number of school corporations participating in cooperative programs.

(4) The enrollment and complexity index of each school corporation participating in a cooperative program.

(5) The loss history of each cooperative program.

Sec. 21. An insurance producer that conducts business with a cooperative program must be licensed as an insurance producer under IC 27-1-15.6.

Sec. 22. (a) Motor vehicle coverage provided by a cooperative program must provide the ability for a member to respond in damages for liability arising out of the ownership, maintenance, or use of a motor vehicle in amounts at least equal to the amounts required under IC 9-25-4.

(b) A member that participates in the motor vehicle coverage provided by a cooperative program is considered to meet the financial responsibility requirements set forth in IC 9-25-4, and an application for a certificate of self-insurance under IC 9-25-4-11 is not required.

Sec. 23. Information regarding the:

(1) part of funds; or

(2) liability reserve;

established by a cooperative program to satisfy a specific claim or cause of action is confidential and is not subject to subpoena or order to produce, except in a supplementary or ancillary proceeding to enforce a judgment.

Sec. 24. The department of insurance may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 4. IC 21-2-5.6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The self-insurance fund may be used to provide monies for the following purposes:

(1) the payment of any judgment rendered against the school corporation, or rendered against any officer or employee of the school corporation for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal);

(2) the payment of any claim or settlement for which the school corporation is liable pursuant to IC 34-13-2, IC 34-13-3, or

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1 IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before
2 their repeal);

3 (3) the payment of any premium, management fee, claim, or
4 settlement for which the school corporation is liable pursuant to
5 any federal or state statute including but not limited to payments
6 pursuant to IC 22-3 and IC 22-4; ~~or~~

7 (4) the payment of any settlement or claim for which insurance
8 coverage is permitted under IC 20-5-2-2(14); **or**

9 **(5) the payment of a contribution to the self-insurance fund of**
10 **a cooperative risk management program under**
11 **IC 20-5-2.7-11.**

12 SECTION 5. An emergency is declared for this act.

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